



India's economy grows at robust 8.2 percent in June quarter, best in over 2 years

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India's annual economic growth surged to a more than two-year high of 8.2 percent in the three months through June, powered by a strong performance of manufacturing and consumer spending. Should the economy keep up this momentum it will stand Prime Minister Narendra Modi in good stead when he seeks re-election next year, and dispel some of the criticism that his economic reforms haven't resulted in faster growth sooner.

The latest period's annual pace beat a Reuters poll forecast of 7.6 percent, and was the highest since India logged 9.3 percent growth in the January-March quarter of 2016. It easily surpassed the 6.7 percent growth posted by China for the same quarter, and it restored India's growth to levels posted by the Congress governments during the decade before Modi's Hindu nationalist Bharatiya Janata Party swept to power in 2014.

In the same quarter last year, India's growth languished at 5.6 percent - far too slow to generate jobs for the mass of young people joining the labour market each year. Still, India's \$2.6 trillion economy surpassed France's in 2017 to become the world's sixth largest, and it was not far behind the United Kingdom, according to World Bank data.

Better rainfall this year, and government spending have given households more money to buy consumer durables, which helped the manufacturing sector post 13.5 percent growth in June quarter, in sharp contrast to the 1.8-percent contraction recorded a year earlier.

"This is probably the best GDP trend we have seen in the first half of the fiscal year," said Shashank Mendiratta, India economist at ANZ Bank.

He said that with a general election less than a year away the GDP numbers were mostly driven by public investment and higher consumption especially in the rural areas. "We expect RBI to hike rates in March-quarter next year with no changes this year," he said.

India's central bank said economic growth was expected to accelerate to 7.4 percent in the fiscal year ending next March, bettering the 6.7 percent posted last fiscal year, despite risks posed by higher oil prices and global trade tensions.

SUSTAINABLE GAINS?

Some analysts said a recent uptick in investments and manufacturing is likely to sustain as order books have increased on account of infrastructure, affordable housing and exports.

But others have warned with the rupee depreciating and oil prices rising, the economy could cool to about 7.2 percent in October-March period.

The Reserve Bank of India has raised its benchmark repo rate by a total of 50 basis points at its past two meetings, to 6.5 percent, to tame inflation that has remained above its medium-term target of 4 percent for the last nine months.

The RBI's next policy is due on Oct.5.

In July, retail inflation eased to 4.17 percent from a year earlier, but is projected to remain around 4.8 percent in the second half of the fiscal year. The rupee has lost 10 percent value against the dollar this year, touching a record low of 71 to the dollar in opening trade, and is the worst performing currency in Asia.

Credit ratings agency Moody's has warned about rising pressure of higher oil prices and interest rates on government finances and India's current account. ANZ's Mendiratta said: "Going ahead I expect growth to moderate as private investment is unlikely to grow at a faster rate due to stressed assets."

(Source: Zee News, India)

India can be the engine of global growth for decades, says IMF

India will be an engine of growth for the global economy for the next few decades and it could play the role China did for the world economy, the IMF said, even as it recommended that the country take steps towards more structural reforms.

"India now contributes, in purchasing power parity measures, 15 per cent of the growth in the global economy, which is substantial," said Ranil Salgado, the International Monetary Fund's mission chief for India. This is behind only China and the US, he said.

Salgado said spillovers from India are not that big because it is not a very open economy.

"But of total global growth in purchasing power parity (PPP) terms, it's 15 per cent of total global growth. Trading is not as high as China trade levels," Salgado said, as the IMF Executive Board released the report of its annual consultations with India.

He said the IMF views India as a "long run source of global growth".

"India has three decades before it hits the point where the working-age population starts to decline. This is India's window of opportunity in Asia.

"For the (next) three decades, it (India) is a source of growth for the global economy and could be even longer. ...India can be almost what China was for the world economy for a while," Salgado said.

7.3% GDP forecast

In its report, the IMF Executive Board has forecast India's growth to rise to 7.3 per cent in FY2018/19 and 7.5 per cent in FY2019/20, on strengthening investment and robust private consumption.

"The Indian economy is recovering from the two shocks that started from late 2016: demonetisation and then the kind of implementation issues related to the GST. We see growth recovering. Generally,

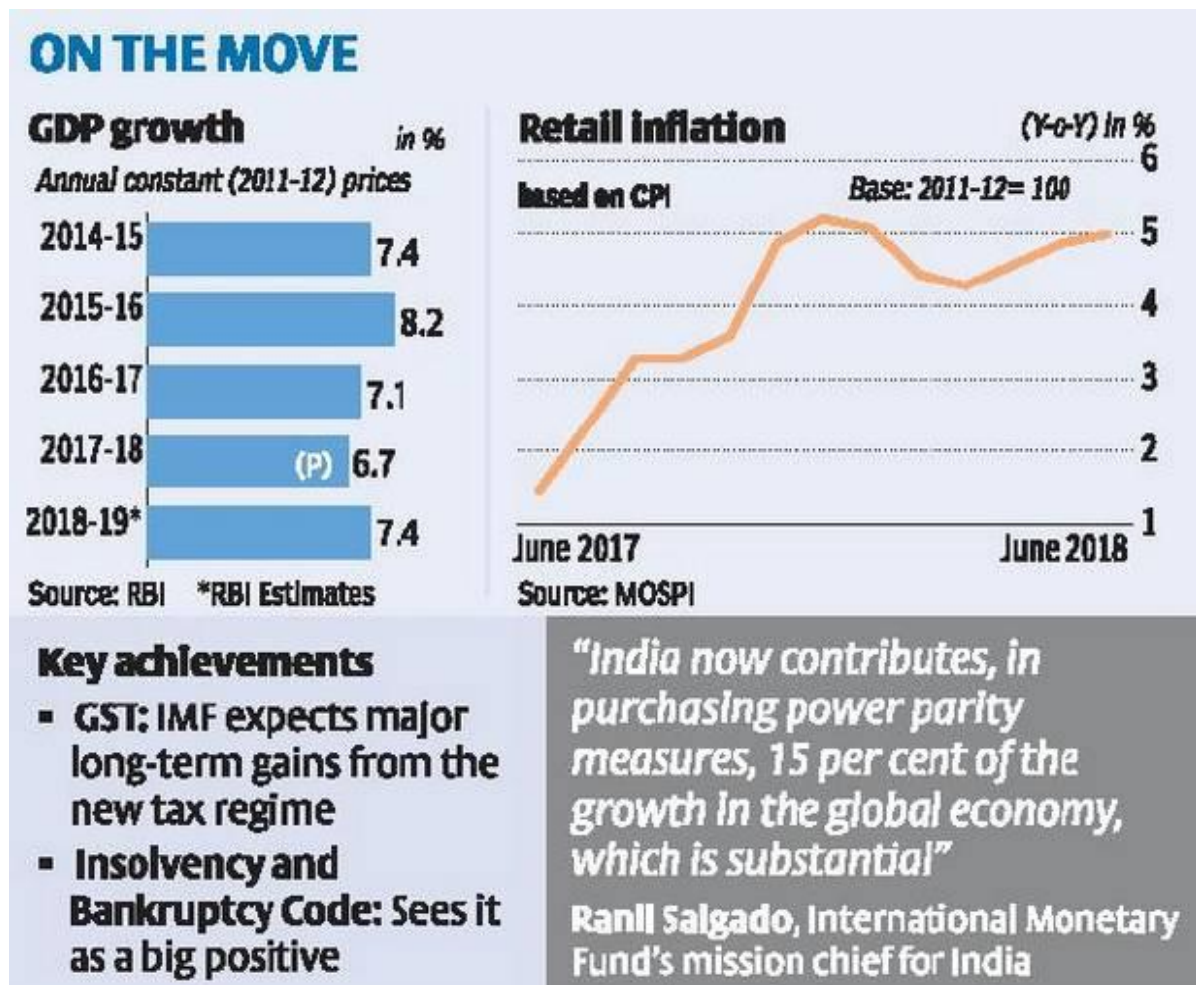
India is benefiting from good macroeconomic policies; stability-oriented policies as well as some important reforms that have been done in recent years,” he said.

Although there are short-term issues, the IMF views GST as a long-term major gain for India.

“It’s something that’s difficult to do. Other countries have struggled. In India it’s much more complex because you have 29 States and Union Territories and you need agreement. I think that was a great achievement,” he said.

The Insolvency and Bankruptcy code is the other big achievement, he said. “We are seeing certain positive steps there and we hope that can continue,” he said.

“The third (big achievement) from an economist’s point of view is the inflation targeting framework that you now have in the Reserve Bank of India, formally adopted in 2016 but informally even earlier,” he said.



Other steps

And then there are some key smaller steps like improving the business climate, further liberalising FDI, he said.

“In the near term, it’s just to make sure that effective implementation of those are ongoing. If you think of the insolvency and bankruptcy code, it’s a difficult change. Basically, the underlying system to resolve bad assets from the corporate sector side is something new. It takes time and experience has to be gained. And we’re seeing some of the hitches along the way there, but generally things seem to be moving in the right direction,” the senior IMF official said.

Noting that the government is taking steps to “streamline and simplify” GST, he said the IMF believes that this is important. “Overall we’re seeing efforts to improve the balance sheet of banks as well as the corporate sector. In our view, these are all important things that need to continue,” he said.

Salgado said the IMF is now suggesting India take steps towards structural reforms. “...we are saying that steps to structural reforms have to continue and, in some ways, have to even take a step further up,” he said identifying labour reforms, improving the business climate, and enhancing infrastructure as key areas for continued reforms.

(Source: Hindu BusinessLine, New Delhi)

Reform booster: India breaks into top 100 in World Bank ease of doing business rankings

India broke into the top 100 in the World Bank’s Ease of Doing Business rankings, notching up the biggest improvement among all countries on the back of big gains on a number of measures. The rise to the 100th position from 130 last year made India one of the top 10 best-improved countries and rounded off a day of good news on the economic front for the government. The Narendra Modi government had, on coming to power in 2014, set itself a target of breaking into the top 50 from 142 that year.

“I remember in the very first year the prime minister had said our target should immediately be to take India into the first 50,” finance minister Arun Jaitley said. “I believe this is doable and therefore these remaining three-four areas where work has to be done, we will be pushing it with all the greater force.” The rise in ranking will help boost the government’s mission to raise overseas investment as part of efforts to revive the economy.

“India is the only large country this year to have achieved such a significant shift,” the World Bank said in a statement, attributing the improvement to sustained business reforms over the past several years. ET had reported that India expected a big jump in the rankings, possibly breaking into the top 100, thanks to multiple reforms initiated by the government beginning to show results.

Commerce and industry minister Suresh Prabhu said, “This is just the beginning. He (PM) has initiated a number of measures which may not have been captured in this particular ranking study, so in the next few years we will see it improving again and again.”

The World Bank’s ‘Doing Business 2018 — Reforming to Create Jobs’ report ranks 190 countries on the basis of a combined score on 10 parameters.

India notched up improvement in rank in six of these measures. The report captures reforms in the period between June 2, 2016 and June 1, 2017.

“This sends a huge message to the entire investor community,” said Ramesh Abhishek, secretary, Department of Industrial Policy and Promotion (DIPP). “It is a real breakthrough in terms of ease of doing business in India... The recognition by the World Bank is the ultimate assurance for the investor.”

The rankings were unveiled after the government announced earlier that the core sector grew at a six-month high of 5.2% in September and that the fiscal deficit had improved to 91.3% of the budget estimate at the end of September from 96.1% at the end of August as revenues picked up pace.

India’s best performance is on protecting minority investors, where it ranks fourth in the world. The ranking doesn’t include the impact of the goods and services tax, which debuted on July 1.

The World Bank considers a reform only when it becomes operational and not when announced. Last year, the country’s ranking remained unchanged at 130 as many of the reforms were still being implemented.

India’s combined, or distance-to-frontier (DTF), score rose to 60.76 in 2018 from 56.05 in the previous year, which shows the country improved in absolute terms as well. Industry said the rise in ranking reflected the Modi government’s reform drive.

The “prime minister undertook a moonshot challenge to improve India’s rank and he has delivered through proactive leadership and constant monitoring with the rank going up from 130 to 100 within a year. This imparts a huge fillip to investors that the reform process is on track and would continue to be addressed intensively”, said Confederation of Indian Industry president Shobana Kamineni.

“The government has strategically addressed choke points of the business ecosystem in a mission mode to improve India’s rank and break into the list of top reforming nations. With the active participation of the states, industry is seeing visible impact at the grassroots in the investment climate.”

GST IMPACT IN 1-3 YEARS

The World Bank said India had adopted 37 reforms since 2003 but nearly half of these were implemented in the last four years.

“India is closing the gap between international best practices. It is a clear signal that not only has the country been open for business but it is also competing for the preferred place for doing business,” said Annette Dixon, vice-president, South Asia region, World Bank.

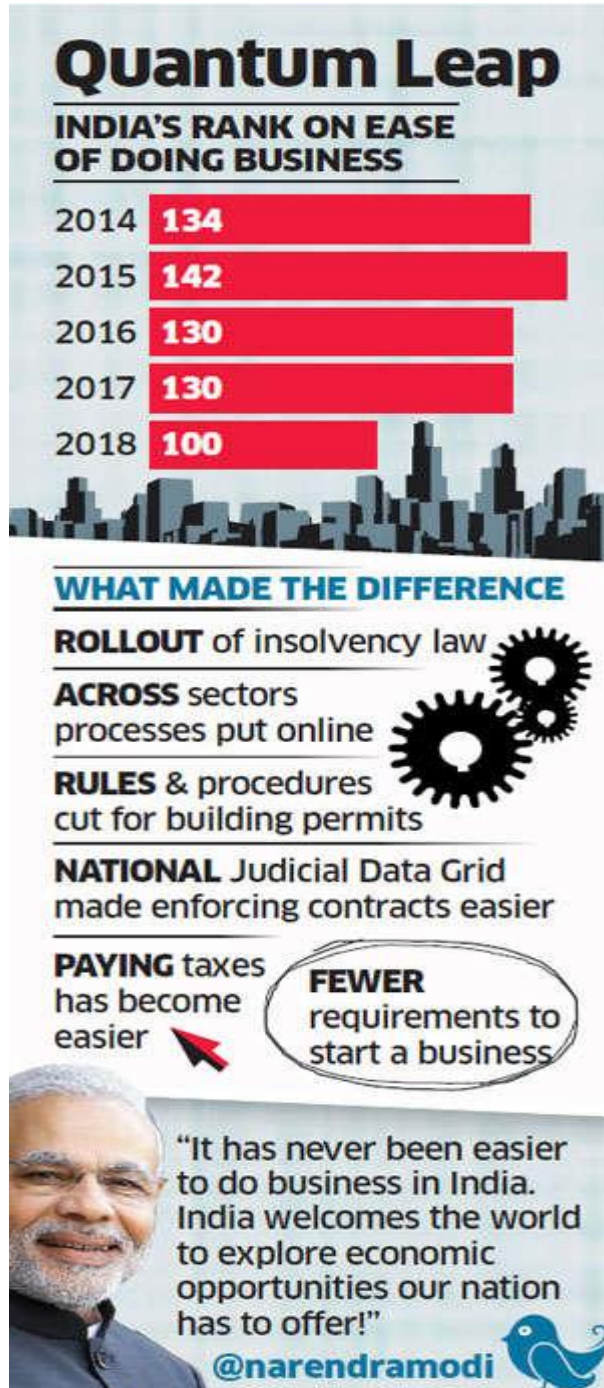
She also said that GST’s impact will be reflected in one to three years as it’s fully implemented. “This ranking is not the result of one year’s effort but of improvement over the last three years across the board,” she said. “Consistent effort is required to be in the top 50.”

Eight areas in which the World Bank counted reform impact include starting a business, dealing with construction permits, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. The other two areas are getting electricity and registering property.

“The country’s corporate law and securities regulations have been recognised as highly advanced, placing India in fourth place in the global ranking on protecting minority investors,” the World Bank said.

The time to obtain an electricity connection in Delhi has dropped from 138 days four years ago to 45 days, well below the 78-day average in OECD, high-income economies. India is ranked 29th on this measure among 190 countries.

The World Bank said India needs to do more. The time to enforce a contract takes 1,445 days compared with 1,420 days 15 years ago and while starting a business takes 30 days compared with 127 days 15 years ago, local entrepreneurs still need to go through 12 procedures to start a business in Mumbai, much more than in OECD countries.



"Tackling these challenging reforms will be key to India sustaining the momentum towards higher ranking," said Junaid Ahmad, World Bank country director.

(Source: Economic Times, New Delhi)

Chamber held its Board of Director's Meeting on 24 August in Brussels

Here are some of the important decisions taken in the 13th Meeting of the EICC Board of Directors meeting held on Friday, the 24th August 2018 in the Executive Lounge of The Hotel, Brussels.

Decisions in brief:

Information of the name of Board of Directors in the EICC Website should be updated

EICC should seek new domain names as www.EuropeIndia.EU and www.EuropeIndia.in

It was also suggested that the present domain www.eicc.be should direct to www.eiccglobal.eu and not the other way around.

Mr. Philippe De Potter agreed to serve the EICC in the capacity as Principal Adviser.

Concerned were expressed about the falling membership and lack of interest in the EICC by corporates and some measures to improve the situation were suggested.

It was informed that accounts for 2016 has been audited and have been filed with the Belgian authorities by the VGD, the Tax Auditing company.

Chairman proposed that Mr. Rajindre Tewari,

Chairman of the Netherlands India Chamber of Commerce be appointed as a member of the Board of Directors and as Co-Ordinator to assist the Secretary General. He was requested to bring in his experience and his connection with corporates to increase the membership base of the organisation. Every two months he will submit progress report to the EICC of his initiatives / activities to increase EICC membership base.

It was pointed out that 2019 is very important year for India and for Europe. While general election will take place in India in 2019, election of the European Parliament will be held in Europe. This offers EICC with the opportunities to search for new pathways to increase its visibility and, also make itself relevant in the new scenario.

Newsletters of the EICC should mention as Compilation of News published in various news and media. It was also advised to mention the source of the News.

It was decided to collaborate with VITO for the Clean Ganga conference scheduled to be held in Brussels on 27th September 2018. It was also suggested that the collaboration should mention "EICC" and not TIPS 2018.

It was suggested that EICC should consider TIPS in 2019 in the vicinity of its foundation day which is 4 October. In this respect it was also suggested that taking advantage of the European Business Summit (EBS) which takes place in May in Brussels every year, EICC should plan TIPS 2019 one day before the EBS.

Board directed the Secretary General to organise the next board meeting either on the 26th September or on the 28th September (Clean Ganga event takes place on the 27th September)

Intel India trained 100,000 developers in AI

Intel India has trained nearly 100,000 developers and students in artificial intelligence (AI) and was committed to invest in developer education and boost accessibility to such tools in the country. "We have been able to accomplish this through our strong collaboration with the academia, government, and the private sector," said Prakash Mallya, managing director, sales and marketing group, Intel India. "This streak will continue as we engage with local platforms such as Analytics Vidhya, to train data scientists and developers."

More than 500 developers attended its first AI conference in Bangalore, which was a testament to its local collaboration for developing AI technology.

According to Gadi Singer, vice-president and architecture general manager, AI, Intel Corporation, the Intel AI developer conference was a testament to its local collaborations for developing AI technology, and growing the ecosystem.

"Today, a diverse set of Indian companies have shown how they are effectively using AI to accelerate their business, and shape the end user experience," he said. "Their insights and solutions reflect the great potential that India has for AI technology development."

Meanwhile, Navin Shenoy, executive vice-president and general manager, data centre group, Intel, told a Data-centric Innovation Summit at its headquarters in California that the company was eyeing a \$200 billion market opportunity.

“I find it astounding that 90 per cent of the world’s data was generated in the past two years,” said Shenoy. “And analysts forecast that by 2025 data will exponentially grow by 10 times and reach 163 zettabytes.”

(Source: Domain-b)

EU foreign trade body maps plan to revive FTA talks

The EU now asks for trade and sustainability chapters in all its trade pacts and that is among the five areas of contention between the two sides.

Europe’s foreign trade association Amfori has said that India and the European Union should focus on resolving differences over three crucial issues if they want to break the deadlock on the long stalled free trade pact.

Amfori said talks should initially focus on India’s demand for a liberal visa regime for its nurses, a relaxed geographical indications regime and duty cuts on its textile exports.

Christian Ewert, president of Brussels-based Amfori, told ET that EU’s insistence on India committing to sustainability norms is one of the sticking points as Delhi is against the inclusion of non-trade issues such as environment and labour in its trade pacts.

“We are looking at alternatives to revive the talks and early harvest is one of those,” Ewert said but highlighted “great reluctance on both sides” for an early harvest.

Talks on the trade pact, called Bilateral Trade and Investment Agreement (BTIA), have been held up since 2013 and a recent informal meeting of two sides on how to resume negotiations failed to yield results.

“We need to identify services which are in short supply in Europe such as healthcare and IT,” he said.

The EU now asks for trade and

Early Harvest

Give and take

EU can liberalise visa norms for Indian nurses, cut duties on Indian textile

India, EU can negotiate terms to protect GIs in each other’s markets

Sticking points

EU wants India to take commitments on sustainability, New Delhi opposes

Brexit, Europe’s refugee crisis, other FTAs have slowed progress of BTIA with India



Talks held up since 2013, informal meetings yield no results

sustainability chapters in all its trade pacts and that is among the five areas of contention between the two sides.

Slashing of import duty on European cars and alcohol by India, recognition of the country as a 'data-secure' nation to enable free flow of data between the two and easier visa norms for Indian professionals are the other sticking points.

India exported merchandise worth \$53.5 billion to the EU in 2017-18 while it imported \$47.8 billion worth of goods from the trade bloc. Besides Brexit, the other causes of slow movement on the BTIA is the EU's involvement in free trade agreements with other countries, including some in Asia such as the Philippines. "Further, EU is challenged by the refugee situation," Ewert said.

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The EU's apprehension to sign a BTIA separate from the Bilateral Investment Treaty (BIT) with India has further added to the delay.

"Not having a bilateral investment treaty is a hindrance to investments," he said.

The European Commission had raised concerns over negotiations for a fresh BIT.

(Source: Economic Times, New Delhi)

Buffett set to acquire stake in One97 Communications Ltd, valuing target at more than \$10 billion

Berkshire Hathaway Inc. has agreed to buy a stake in the company behind Paytm, India's biggest digital payments brand, in Warren Buffett's first foray into the country's startups, people familiar with the matter said.

Buffett is set to acquire 3 per cent to 4 per cent of One97 Communications Ltd., valuing the target at more than \$10 billion, the people said, asking to not be identified as the discussions are private. A formal announcement could come in the next few days, the people said.

One97 Communications, founded by billionaire Vijay Shekhar Sharma, runs the Paytm brand and is the leading player in India's booming digital payments market. Buffett would join a star-studded group who have invested in Sharma's companies, including Masayoshi Son's SoftBank Group Corp. and Jack Ma's Alibaba Group Holding Ltd. and Ant Financial.

“It’s a paradigm shift,” said Dinesh Arora, a partner at PricewaterhouseCoopers LLP in India. “Financial services reach only the top 10 to 20 percent of India, but technology has the potential of adding a big slice of India’s 1.3 billion people and bringing savings, credit and investments to their smartphones.”

One97 declined to comment while Omaha, Nebraska-based Berkshire Hathaway didn’t immediately respond to a request for comment outside U.S. business hours. Mint reported on talks for a deal earlier.

Read More: When India Killed the 1,000-Rupee Note, This Startup Hustled

Sharma got a huge boost in 2016 after India’s government moved to eliminate most of the nation’s paper money in circulation in a bid to curb corruption. His fledgling startup, a pioneer in the country’s nascent field, saw tens of millions of consumers and hundreds of thousands of businesses sign up for digital services in a matter of months.

“Overnight, we went from a new thing to a must-have,” said Sharma in a 2016 profile.

He’s ridden that momentum to prominence in India’s technology field. India’s digital payments segment is forecast to reach \$1 trillion by 2023, from about \$200 billion now, according to Credit Suisse Group AG.

One97 owns 49 per cent of Paytm Payments Bank, which leads India’s digital payments market. Online retailer Paytm Ecommerce Pvt, also founded by Sharma, shares the brand name with One97 and runs the online retail platform Paytm Mall, selling everything from smartphones to fashion.

Buffett, who turns 88 this week, long focused on value investing and shied away from technology companies because of what he joked were his own “intellectual shortcomings” in understanding the field. But he has adapted in recent years and piled into newer holdings such as Apple Inc. He is said to have considered a \$3 billion investment in Uber earlier this year.

Buffett’s Berkshire Hathaway has a penchant for financial services and disclosed in August that he had boosted his stake in Goldman Sachs Group Inc. He also has sizable investments in American Express, Wells Fargo and Bank of America.

“Fintech is exciting because it dramatically brings down the cost of servicing customers, connecting people even in the remotest parts of India and providing them the same level of customer service as someone sitting in Mumbai,” said Arora.

The Buffett investment comes as some critics question whether India’s startup scene has become overheated. Several recent multibillion-dollar investments have inflated the value of startups. – *Bloomberg*

(Source: The Print, India)

BUSINESS INFORMATION

India Maritime*plus*
(Investment Facilitation Cell)

Dear Sir/Madam,

We have pleasure in bringing to your notice information regarding tenders invited by **Visakhapatnam Port Trust** for allotment of land for warehousing purposes

For further details, please visit the website mentioned in the notices below:

	Visakhapatnam Port Trust
1	<p>Visakhapatnam Port Trust invites Tenders for Allotment of Land on long term lease (annual lease rental basis) of 30 years (without renewal option), on as is where is basis in Zone-Z4, Plot (9,955 Sq. mtrs.) at Exim park area for the purpose of WARE HOUSE at Visakhapatnam Port.</p> <p>Other details including Tender documents can be downloaded from the website https://vpttenders.nic.in . Last date for bid submission is 11.09.2018 up to 02.00 pm.</p>
2	<p>Visakhapatnam Port Trust invites Tenders for Allotment of Land on long term lease (annual lease rental basis) of 10 years (without renewal option), on as is where is basis in Zone-Z1A, Plot (32,780 Sq. mtrs.) (earlier occupied by ONGC) for Closed Ware House/storage.</p> <p>Other details including Tender documents can be downloaded from the website https://vpttenders.nic.in. Last date for bid submission is 17.09.2018 up to 02.00 pm.</p>
